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29 JAN 1963

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MEMORANDUM FOR: Comptroller

SUBJECT: La Rue Banknote Counting Machine

Ordered 13 Feb 63

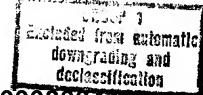
1. The Monetary Branch, pursuant to requests from two field stations, looked into the feasibility of the Agency using a banknote counting machine. In the Washington area several banks and the U. S. Treasury Department utilize such machines. To ascertain the effectiveness of the La Rue Banknote Counting Machine, officers of the Monetary Branch met with cleared officials of the U. S. Treasury and officers of the Riggs National Bank.

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2. The Treasury officials advised that the machine was excellent for counting new banknotes [REDACTED], and that it was used to verify all packages of new money issued by the U. S. Treasury. However, one official of Treasury advised that on "fit money" (Treasury term for other than new notes acceptable for circulation) they had experienced less satisfactory results because of pin holes in the banknotes. The counting machine operates on an air suction basis, therefore, pin holes will occasionally result in two bills being held together by air pressure and counted as one.

3. Officers of Riggs demonstrated their machine and stated it was a very good investment. They said the machine was durable and that they had had no mechanical difficulties. The Riggs tellers advised that counting "fit" money was not a problem as the packages of notes that come up with a short count because of pin holes are reinserted in reverse and recounted, thus eliminating the likelihood of a similar pin hole problem. Only occasionally was a hand count of a package required as a result of pin holes in both ends of the package. It is standard Agency practice to count the receipt and disbursement of currency at least twice before acceptance or issue.

4. Personnel of the Monetary Branch currently expend approximately eight man hours per week counting foreign and U. S. currency. It is estimated that a bank note counting machine could do an equivalent amount of counting in less than two hours. The machine, therefore, would save approximately six man hours per week for the Monetary Branch. In addition, it would reduce the time required by the Audit Staff and ICAD personnel to perform several unannounced cash counts. It appears that such a counting machine might also be an asset at several field stations [REDACTED] where a large volume of foreign currencies are received and disbursed. The machine will count notes at a rate ten times as fast as the average teller. For example: It takes three or four hours weekly for the [REDACTED] The machine could perform a similar count in 20 to 30 minutes.

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5. Based on the satisfactory performance experienced by the Riggs National Bank and the Treasury Department, it would appear economical and prudent to purchase a counting machine for use in the Finance Division at Headquarters. The experience gained in using this machine at Headquarters would provide a basis for determining the practicability of utilizing these machines at certain overseas stations. Whittaker Brothers is the local agent for the La Rue Checking and Bank Note Counting Machine. They quote a price of \$2,450.00 plus an annual service contract of \$100.00. It would appear that the time saved would more than offset the cost of the machine within two to three years. In addition, the machine's capability will enable the Monetary Branch to maintain a high standard of cash management even when a temporary shortage of personnel exists.

6. It is recommended that the Comptroller authorize the purchase of one La Rue Banknote Counting Machine for use by the Monetary Branch, Finance Division, at Headquarters.

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Chief, Finance Division

Enclosure:

La Rue Brochure

Recommendation contained in paragraph 6 above approved.

_____ / _____
COMPTROLLER Date

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